

VZCZCXRO1888
PP RUEHIK
DE RUEHVB #0747 3551316
ZNR UUUUU ZZH
P 211316Z DEC 09
FM AMEMBASSY ZAGREB
TO RUEHC/SECSTATE WASHDC PRIORITY 9753
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY

UNCLAS ZAGREB 000747

SIPDIS
SENSITIVE

E.O. 12958: N/A
TAGS: [PGOV](#) [PREL](#) [HR](#)
SUBJECT: Zagreb Daily Report - December 21, 2009

1.(U) Fight against corruption is most important battle since Homeland War: In an interview on December 19 Interior Minister Karamarko stated Croatia is facing its biggest battle since the Homeland War in the struggle against organized crime and corruption. He noted that Prime Minister Kosor fully supports his efforts and that "she has given a green light" to the fight.

12. (U) Hypo Bank story expands: Croatian National Bank Governor Zeljko Rohatinsky said in an interview that former PM Sanader and Bavarian PM Edmund Stoiber pressured him in 2007 to support the sale of Hypo Alpe Adria Bank (HAAB) to the Bavarian-based Bayerische Landesbank (BLB). Rohatinsky added that his bank considered filing a complaint against Stoiber with the EU Commission because of this pressure. As the National Bank Governor, Rohatinsky had final approval of the sale of HAAB to BLB, and had requested that BLB to meet strict requirements before the sale went through.

13. (U) Croatian passenger train has accident at central station: Approximately forty people were injured December 21 when a Croatian rail train from Sisak hit a guardrail at the main train station in Zagreb in the early morning hours. According to Croatian authorities, there were no American citizens on the train.

14. (U) OSCE Observation Mission Assessing Croatia's Electoral System: PolOff attended a briefing on December 18 by the OSCE Limited Election Observation Mission (LEOM) on their interim report regarding the upcoming presidential election in Croatia. On December 8 the OSCE officially opened a LEOM, which consists of a 10-member core team based in Zagreb and 12 long-term observers deployed throughout the country. The LEOM team members will visit a limited number of polling stations, but they will not conduct a comprehensive and systematic observation of the election. The LEOM team has already assessed that Croatia's electoral processes were mostly on par with European standards and that the threat of voter fraud was low. However, most LEOM interlocutors were concerned about the accuracy of the voter lists. The LEOM team will provide a final list of recommendations to the GoC in January on ways to improve the electoral process and regulatory framework.

15. (U) US Embassy Zagreb helps prepare neighboring ODC Chief: The Office of Defense Cooperation (ODC) hosted the incoming ODC Chief in Montenegro 14-16 December to prepare him for the assumption of his duties. USEUCOM asked Embassy Zagreb to give the officer a crash course in security assistance, ODC procedures, and working within the embassy since he has not yet attended the Defense Institute of Security Assistance Management course.

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